State and Local Government in Louisiana: An Overview 2012-2016 Term

CHAPTER 2 — STATE GOVERNMENT FUNCTIONS

Part E. Transportation and Infrastructure

Department of Transportation and Development - Overview

he Louisiana Department of Transportation and Development ("department") is responsible for developing and implementing programs to assure adequate, safe, and efficient transportation and other public works facilities and services in the state.

Legislators can work with their constituents, local governing authorities, metropolitan planning organizations and the department to ensure important projects are constructed pursuant to the programs outlined below and countless others.

The Louisiana Transportation network consists of the following facilities and operations:

16,675 miles of state highways 893 miles of Interstate highway

Airports

7 commercial service airports 64 general aviation airports

Public Transit

11 urban transit systems 31 rural transit systems

Public Works

24 levee districts 27 locks / 470 dams 143.000 water wells

Bridges

12,953 bridges (113 moveable) 7,694 state-owned / 5,259 local

Ports

6 deep-draft ports20 shallow-draft ports13 emerging portsLouisiana Offshore Oil Port (LOOP)

Freight Railroads

6 major (Class 1) railroads 9 short-line railroads 2 public switching railroads

Operations

3.6 million acres mowed
71,000 cu yd litter collected annually
16 rest areas
8 ferry service locations
3000+ highway-rail crossings
3000+ traffic signals
1,000,000+ traffic signs
Over 745 buildings

Priority Programs

The Louisiana Legislature has established four major programs to prioritize transportation, public works, and flood protection construction priority projects to be administered by the department. The Highway Priority Program, Port Construction and Development Priority Program are administered by the office of multimodal and planning within the department. The Statewide Flood Control Program is administered by the office of engineering within the department.

A brief summary of each program is as follows:

The Highway Priority Program - (R.S. 48:228-233)

The department is required to classify the 16,675 miles within the state-maintained highway system and to establish standards for those classifications. Louisiana is made up of 9 highway districts as listed below:

| DOTD HIGHWAY DISTRICTS | | | | | |
|------------------------|---|--|--|--|--|
| District 2: | Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Charles, Terrebonne (located in Bridge City) | | | | |
| District 3: | Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, St. Mary, Vermilion (located in Lafayette) | | | | |
| District 4: | Bossier, Bienville, Caddo, Claiborne, DeSoto, Red River, Webster (located in Bossier City) | | | | |
| District 5: | East Carroll, Jackson, Lincoln, Madison, Morehouse, Ouachita, Richland, Union, West Carroll (located in Monroe) | | | | |
| District 7: | Allen, Beauregard, Calcasieu, Cameron, Jefferson Davis (located in Lake Charles) | | | | |
| District 8: | Avoyelles, Grant, Natchitoches, Rapides, Sabine, Vernon, Winn (located in Alexandria) | | | | |
| District 58: | Caldwell, Catahoula, Concordia, Franklin, LaSalle, Tensas (located in Chase) | | | | |
| District 61: | Ascension, Assumption, East Baton Rouge, East Feliciana, Iberville, Pointee Pointe Coupee, St. James, West Baton Rouge, West Feliciana (located in Baton Rouge) | | | | |
| District 62: | Livingston, St. Helena, St. John the Baptist, St. Tammany, Tangipahoa, Washington (located in Hammond) | | | | |

Each year the department develops a program of construction projects to be commenced in the ensuing fiscal year, based upon anticipated revenues and listed in order of priority of projects in each classification. The following factors among others are considered when compiling this program: (1) alignment of existing roads, (2) width or elevation of the existing roadway and

shoulder surfaces, (3) width of the rights-of-way, (4) cost of construction, (5) type and volume of traffic, (6) condition of structures and drainage, (7) accident rate, (8) geographical distribution of the roadways to be constructed or reconstructed, (9) population growth in each parish and the existing state highway transportation infrastructure to support the increase in population, (10) economic development potential, and (11) the safe evacuation of population when necessitated by catastrophic events such as hurricanes or flooding. In fixing priorities, the department primarily considers factors such as the condition of the roads and structures making up the state highway system and the urgency of the improvements in their order of general needs, traffic volume, accident records, technical difficulties in the preparation of plans and the procurement of rights-of-way. Additionally, the department must consider and include capacity improvements in geographic areas where population has grown or traffic volume has increased and capacity improvements are necessary.

The department then submits the program to the Joint Highway Priority Construction Committee, which holds joint public hearings in each of the nine highway districts in order to provide for public review and input. The hearings are also known as "Road Show." A report is compiled based upon the testimony received at these hearings and after such hearings the department prepares the final construction program, which is then submitted to the legislature for funding. The legislature may remove any project which it determines is not in the proper order of priority; however, the legislature cannot add any projects to the final construction program nor can the legislature make any substitutions for deleted projects.

Statewide Flood Control Program (R.S. 38:90.1-92)

The Statewide Flood-Control Program provides for the method in which the department evaluates applications for flood control projects. Applications may be submitted by any duly authorized municipal, parish, or other governing authority to the department by October first of each year. The applicant must describe the magnitude of the flooding or drainage problem and demonstrate the immediate need for the project, provide the preliminary project design and cost estimate, a description of the project area including the geographical area affected, land ownership information, soils and vegetation, relationship of the affected area to geologic floodplains and flood -prone area, and flooding history, regulatory permits, project area classification of either rural or urban, benefit-cost information, nonstructural techniques for reducing flood damages, the impact of the project on agricultural lands and the feasibility of including agricultural irrigation development in the project and the state of sponsorship. Projects are evaluated by a flood control project evaluation committee based upon such factors as reducing the threat to human lives, benefit-to-cost information, technical feasibility, flooding history, and local support for the project. The flood control project evaluation committee submits a recommended list of projects to the House and Senate Committees on Transportation, Highways and Public Works, which hold public hearings and ultimately approve the proposed list of projects. After adoption of the committees' recommendations by the legislature, the approved list of projects is forwarded to the department for implementation. The department cannot delete, add, or substitute any projects for those approved by the legislature; however, the secretary may authorize projects to be undertaken and financed due to an emergency out of the secretary's emergency fund.

The Port Construction and Development Priority Program (R.S. 34:3451-3463)

The Port Construction and Development Priority Program provides for the method in which port authorities apply for funding assistance with port construction or development projects. Applications are submitted by port authorities to the department no later than the first of

March, June, September, and December of each calendar for funding or funding obligation authority in the ensuing fiscal year. Each quarter the department furnishes the House and Senate Committees on Transportation, Highways and Public Works a prioritized list of projects based on the applications received during that quarter. Within thirty days of receiving each quarterly recommended list of prioritized projects for inclusion in the ensuing fiscal year program, the House and Senate Committees on Transportation, Highways and Public Works must hold public hearings to receive public testimony regarding the list. Each quarter, the department reprioritizes the list of projects to reflect the cumulative list of projects recommended by the department. Prior to the convening of each regular session, the House and Senate Committees on Transportation, Highways and Public Works holds a hearing for the purpose of reviewing and approving the final program for the ensuing fiscal year. When the final construction program is presented to the legislature for funding, the legislature cannot add any projects to the final construction program. Any project recommended by the department and approved by the House and Senate Committees on Transportation, Highways and Public Works but for which funds are unavailable in the fiscal year for which it was approved remains on the prioritized list of projects and is carried forward to the next fiscal year. These retained projects keep their place on the prioritized list of projects and will receive a higher priority over newly recommended projects in the next fiscal year.

Airport Construction and Development Priority Program (R.S. 2:801-814)

The Airport Construction and Development Priority Program provides for airport authorities to submit applications for funding of airport construction or development projects to the department by November first of each year. The program also certifies all public and privately owned airports and heliports within the state. Applicants must provide a description of the project and the project area and demonstrate the immediate need for the project, as well as a preliminary project design and cost estimate. After the project applications are evaluated, the department must prepare a priority listing and submit it to the House and Senate Committees on Transportation, Highways and Public Works prior to the convening of each regular session. The House and Senate Committees on Transportation, Highways and Public Works must then hold public hearings for the purpose of reviewing the priority list of projects for each fiscal year. Subsequent to the House and Senate Committees on Transportation, Highways and Public Works' public hearings and prior to the convening of each regular session, the department is required to prepare the final construction program for the coming fiscal year for submission to the House and Senate Committees on Transportation, Highways and Public Works.

After approval by the House and Senate Committees on Transportation, Highways and Public Works , the legislature is prohibited from adding projects to the list unless ninety percent of the funding for an airport, or for an airport project, is received from federal sources or from sources other than state funds. Projects are funded through appropriations from the Transportation Trust Fund in the Capital Outlay Act. Any funds not expended for the projects for which the funds were appropriated shall be returned to the trust fund.

Public Transportation and Marine and Rail Transportation

In addition to administering priority programs, the department operates a Public Transportation Program and Marine and Rail Program.

The mission of the Public Transportation Program is to improve public transportation in all areas of the state so that Louisiana's citizens may enjoy an adequate level of personal mobility regardless of geographical location, physical limitation or economic status. The Public

Transportation Program administers statewide transit programs funded by the Federal Transit Administration (FTA) that include the Rural Public Transportation Program, Rural Training and Technical Assistance Program, Elderly and Disabled Capital Program, Planning and Research Grants, Discretionary Capital Program, Job Access and Reverse Commute Program and the Fixed Guideway Program.

The mission of the Marine and Rail Program is to continuously improve the marine and rail infrastructure for passenger and freight movement, to nurture economic development, enhance the quality of life through the development of an efficient, safe, and seamless intermodal transportation system. The Marine and Rail Program operations are currently funded under the Multimodal Program of the department's budget. Project specific funding is through Capital Outlay, averaging \$20 million per year.

Funding

Transportation Trust Fund

Revenues received from the taxes on gasoline, motor fuels, and special fuels are deposited into the constitutionally based Transportation Trust Fund (Const. Art. VII, §27). Monies in the fund are used to repay specific debt in existence prior to the creation of the Transportation Trust Fund or to repay debt issued in connection with the Trust Fund. Thereafter, the monies in the Transportation Trust Fund are appropriated exclusively for the construction and maintenance of roads and bridges of the state and federal highway systems, the Statewide Flood Control Program, ports, airports, transit, state police for traffic control purposes, and the Parish Transportation Fund. The monies allocated to ports, airports, flood control, parish transportation, and state highway construction must be appropriated pursuant to the priority programs established by law.

In addition, all monies appropriated to the state by the Federal Highway Administration and the Federal Aviation Administration are deposited in and credited to the trust fund. Funds appropriated to ports, the Statewide Flood Control Program, the Parish Transportation Fund, and state police cannot exceed twenty percent of the total state tax-generated revenues in any one year. The amount appropriated each year to the Parish Transportation Fund cannot be less than the avails of one cent of the tax on gasoline and special fuels.

Transportation Infrastructure Model For Economic Development (TIMED)

The constitutionally mandated Transportation Infrastructure Model For Economic Development (TIMED) provides a listing of transportation infrastructure projects which are funded through the proceeds of the special four-cent per gallon tax on gasoline and special fuels. Proceeds of the tax are deposited in a sub-account in the Transportation Trust Fund.

The tax was originally levied for a period of time not to exceed fifteen years (from January, 1990 to January, 2005) or until all outstanding debt is paid, whichever comes first. But in 1998, the legislature took action to extend the duration of the tax until the TIMED projects are completed and the bonds are paid in full. However, bonds for the TIMED projects may not be issued after December 31, 2012. As a result, approximately one-half cent of the sixteen cents of the state excise tax on gasoline and special fuels goes to retire debt for the TIMED program. This will grow to approximately two cents of the sixteen cents in 2045 when the debt is paid off. From 2000 to 2010 the department sold approximately \$2.85 billion in bonds to accelerate the completion of the nine projects which are currently under construction. The department's goal

is to complete the funded projects by 2014, which is sixteen years earlier than the original completion date of 2030.

As a result of the hurricanes of 2005 and world market conditions at the time, construction costs escalated greatly causing the department to revise the estimated costs of completing the projects to be approximately \$5.24 billion. The bonding program will only support a program cost of approximately \$4.65 billion. The result is that the Florida Avenue Bridge over the Industrial Canal project in New Orleans and the I-12 to Bush (Previously referred to as La. 3241) project in St. Tammany Parish will not be done using TIMED funds. The two projects were delayed due to environmental and legal issues. These two projects will be funded with state bonds or will be incorporated into the state's highway priority program.

The chart below shows the status of each of the 16 TIMED transportation projects including the length of miles, total cost of the project, percentage of completion and estimated date of completion of each project on the list of projects.

| Status of the TIMED Program PROJECT LIST July 2011 | | | | | | |
|--|-------------------|------------|------------|-------------------------|--|--|
| <u>Project</u> | Length (miles) | Total Cost | % Complete | Est. Date of Completion | | |
| Tchoupitoulas | 4.00 | \$52 M | 100% | | | |
| Westbank Expressway | 1.00 | \$33 M | 100% | | | |
| Port of New Orleans | | \$100 M | 100% | | | |
| New Orleans Airport | | \$75 M | 100% | | | |
| US 90 | 24.90 | \$256 M | 100% | | | |
| West Napoleon | 5.00 | \$69 M | 100% | | | |
| US 171 | 121.30 | \$620 M | 100% | | | |
| US 61 | 19.60 | \$98 M | 100% | | | |
| LA 15 | 28.40 | \$89 M | 100% | | | |
| Audubon Bridge | 14.60 | \$410 M | 100% | | | |
| Earhart Boulevard | 2.80 | \$20 M | 97% | 2011 | | |
| Huey P. Long Bridge | 3.20 | \$1,165 M | 88% | 2013 | | |
| US 165 | 172.90 | \$936 M | 97% | 2014 | | |
| US 167 | 112.20 | \$699 M | 98% | 2014 | | |
| LA 3241 | 20.70 | \$149 M | 6% | *** | | |
| Florida Avenue Bridge | 5.00 | \$464 M | 4% | *** | | |

^{***} Projects currently being re-scoped based on environmental study and other impacts.

Source: Louisiana Department of Transportation and Development

Parish Roads

Parish roads are under the jurisdiction of parish governing authorities and are not constructed or maintained by the state. The state may take a parish road or municipal street into the state system if it is necessary to complete a segment of state highway. Occasionally a parish road is taken into the state system and a state highway is "traded" out.

As a general rule, the department is prohibited from performing any work, either construction or maintenance, on the parish road system or any other roads or streets not in the state highway system. However, the legislature did provide for the creation of the Parish Transportation Fund to financially assist the parishes with the construction and maintenance of roads.

Revised Statute 48:753 provides for the uses of the monies in the Parish Transportation Fund. For example, the monies are to be used for the construction and repairing of roads, bridges, dykes, dams, and levees when the work will further the best interest of the parish. The monies may also be used to purchase equipment for road work and to assist in providing public transit. In return, all parishes are required to adopt a system of road administration which requires the approval of the parish governing body for any expenditure made out of this fund. This system must include a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and selective maintenance and construction based upon engineering plans and inspection.

Monies in the Parish Transportation Fund are distributed to the governing authority of each parish on a per capita basis in population categories. For example, parishes with a population up to 16,000 would get \$13.32 per capita and parishes with a population between 16,001 and 45,000 would get \$10.82 per capita.

Future Funding Outlook of the Louisiana Department of Transportation and Development

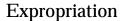
The department has made progress in reducing unmet construction needs due in large part to three state surpluses and federal stimulus dollars. However, costs of constructing and maintaining transportation facilities continue to exceed available funds.

House Concurrent Resolution No. 153 of the 2009 Regular Session requested the House Committee on Transportation, Highways and Public Works, Senate Committee on Transportation, Highways and Public Works, House Committee on Ways and Means, and Senate Committee on Revenue and Fiscal Affairs to function as a joint committee to study and make recommendations on alternative funding sources for transportation construction projects within the state of Louisiana.

In an effort to further delve into the funding issues facing our transportation system, the following subcommittees were formed: Transportation Funding, Non-Federal Matching, Ports, Airports and Freight, Current Gas Tax and Public Transit and Local Government. Each subcommittee was charged with thoroughly studying and making suggestions on alternative funding sources as it relates to the different facets of the transportation system by receiving input from state departments and entities, stakeholders, and the general public.

The joint committee on Transportation, Highways and Public Works, Senate Committee on Transportation, Highways and Public Works, House Committee on Ways and Means, and

Senate Committee on Revenue and Fiscal Affairs, put forth a myriad of possible actions to consider in addressing transportation funding issues. The findings of these committees were put forth in House Concurrent Resolution 115 of the 2010 Regular Session.



See page 3A-9 for a discussion on expropriation.